

**COMMITTEE ON ACCOUNTS, ENROLLMENT
AND REVENUE ADMINISTRATION**

November 20, 2006

4:00 PM

Chairman Pinard called the meeting to order.

The Clerk called the roll.

Present: Aldermen Pinard, Smith, DeVries, Long

Absent: Alderman Thibault

Messrs: Alderman Lopez, Kevin Buckley, Kevin Sheppard, Guy Beloin,
Randy Sherman, Sharon Wickens, Maureen Cail, Frank Thomas

Chairman Pinard addressed item 3 of the agenda.

Communication from Kevin Buckley, Independent City Auditor, providing status of current audits as follows:

- a) Traffic Department;
- b) Finance Department – Treasury
- c) EPD; and
- d) Future Planned Audits (Police).

Mr. Buckley stated other than the status of the audits, the main thing tonight is you have a copy of the Traffic Department – former Traffic Department - performance audit. This was requested before the break-up of the Traffic Department into different sections. I finished it in June. I couldn't get the report done in time for the June meeting and I think this is the first meeting we've had since then. There are eight observations in the report, and the first thing I'd like to point out is that this is a different report from me than you've seen. This is a performance audit. Up to now I've just done financial and financial-related audits. This is the first one that I'm going to independent criteria, judging the performance of how an agency has actually done, so it looks a little different. Out of the eight observations, almost all of them have been taken care of within the reorganization of the Traffic Department. Probably the most important one that is left to finish is the gas boy controls. The gas boy system, when someone fuels up a car and they

have to swipe a card that tells them that this is the driver and then another card for the piece of equipment. And then you're supposed to put in the mileage of the vehicle. Ideally the system is designed so that you always have a running total of the cost per each vehicle per mile, so that when it's time to buy new vehicles or to make a decision on whether to get rid of a vehicle, you can have a report print-out that tells you the cost per mile of the vehicle, so that you know if it's too expensive to run that vehicle you can get a cheaper vehicle. The other thing the gas boy system does though that's just as important and probably from a financial point of view is more important, it enables you to insure that only the vehicle that is supposed to be fueled is being fueled by the person that's supposed to be fueling that vehicle. The system will print exception reports that shows if the miles per gallon of a vehicle drops precipitously. You get a vehicle that's normally getting 20 miles to the gallon and suddenly it's getting 10 miles to the gallon, it's a good indicator that the gas is going to something other than that vehicle. But, it's very time consuming. You're in a snowstorm, you pull in in a vehicle, you've got to put the mileage in, it has to be done right and you have all these things you have to do and so the controls long ago must have been turned off so that you're able to override it at the pump, which has rendered many of the better aspects of the gas boy system inoperable. And there are very few people...I've noticed not just at the Traffic Department but generally when I'm going around looking at it...that are using the system as it's intended.

Chairman Pinard stated Kevin, the one that has the card, like the State when you use the card on a vehicle, you have an ID number. Do these people here in the City have an ID number when they gas?

Mr. Buckley stated yes, every driver is assigned a card and every vehicle is assigned a card. The other thing that they get, they take fuel out a lot is for lawn mowers and chain saws and things like that. I don't believe there's a specific card for that type of piece of equipment. It all gets lumped into one.

Chairman Pinard stated I know it's just a question because I know the State works that way. Thank you.

Mr. Buckley stated other than that, everything in this report has been pretty much taken care of at this point.

Chairman Pinard asked any questions for Kevin from the Committee?

Alderman Long stated, Kevin, I noticed your source is the THE information system. Is all the revenue entered into the HTE systems by Traffic?

Mr. Buckley responded yes, it is. And I'd like to point out, I think Traffic is one of the departments that enters everything directly into the modules attached to the HTE system.

Alderman Long stated so that's a good source. And to follow up, with respect to the eight observations, what you're saying is that seven of them are in compliance.

Mr. Buckley stated or due to the reorganization have been rendered...

Alderman Long stated and the only thing is the gas boy.

Mr. Buckley stated which I understand is being worked on. They're looking into that and they're taking care of that.

Alderman DeVries stated the observation seven was making a recommendation for an additional parking signal or a traffic signal technician.

Mr. Buckley stated yes, these are the people that repair the signalization at intersections. That's a pretty important job.

Alderman DeVries stated and are you saying that was also taken care of during the reorg?

Mr. Buckley stated that one, there's a person who is still, I think out on sick or coming in and out on sick and the status of that employee is still up in the air. Originally I think the plan was when that person left employment that they weren't going to refill the position and I think they've re-thought that at this point.

Alderman DeVries asked Mr. Chairman, can I ask if the Committee can follow up with a letter to the Traffic Division to clarify if, in their opinion the amount of sick leave is what has caused their problems or if...because my read of the observation was a little bit different, that even with the person out on sick leave, there was a call for an additional...

Mr. Buckley stated if you look at the industry standard for it, they should have had even possibly another person to take care of that. But when I actually analyzed the call logs and how long it takes them to fix a traffic problem, it's on the high end of acceptable but it is acceptable.

Alderman DeVries stated and I'm not trying to question your report, but just noticing that Traffic is not here to answer that. I guess Highway would now, that's right, with the reorganization. So maybe they can give us their call on that this evening, what the amount of the sick time from that employee still is and if

there is still an issue within the department for the next season. I have an additional question though...

Chairman Pinard asked Mr. Sheppard, did you answer Alderman Eight's question?

Kevin Sheppard, Deputy Director of Public Works, stated I know there's quite a bit of sick time, there was a temporary employee that was brought on as a signal technician. The last I knew, that employee had been back at least part time, but that would make three, and I believe the audit recommended 4.9, based on the number of signals. Item number seven and item number eight on the audit report talk about line striping. Those are both items that, if any Aldermen remember, Frank Thomas, who was part of the reorganization, had talked about. Possibly contracting out for yellow line painting, median painting, as well as the need for signal technicians. So as part of the coming budget process, that will be something that we will bring forward.

Alderman DeVries stated and that's exactly what I was going to ask, and I'm sorry, I don't recognize you yet as traffic, so excuse the oversight. As part of next year's budget cycle, if you could address item seven and I have picked off item eight as well, the long line painting.

Mr. Sheppard stated yes, that's basically centerline painting.

Alderman Smith stated now that you brought that up, I know one of the reasonings was snow removal, and it used to be in the hands of the Highway, and this response was maybe due to snowplowing the garages and parking areas by an agency. And the only agency I can think of that would do the snowplowing is the Highway. Would you have sufficient personnel to clear the parking lots and so forth? I know the streets are a priority.

Mr. Sheppard stated we've discussed this with Frank and I know in the audit report it recommends referring or taking a look at either Parks and Rec and/or Highway. In discussions with Frank...as you know streets are our priorities, so during a snowstorm, we don't have the manpower to commit or say that we can commit to get the garages completed on time. As it is now, it's difficult to get a second crew of people for plowing.

Mr. Buckley stated and it should be pointed out, the real problem wasn't with the plowing, it was with the snow removal after, because you have to plow those parking lots into spaces, then you lose the spaces that people have leased, so you've got to get the snow out of there really quickly. And that is why Traffic had a couple of four wheel drive pick-up trucks that they could plow with, but they couldn't get rid of the snow in time, and that's what they were really contracting

out. I know that there are some trucks. Parks and Rec has some trucks and they have a bucket loader. Cemetery has a bucket loader? I think so, and I think you may want to look into having them remove the snow, if at all possible. I don't know how tight their time is on that equipment.

Mr. Sheppard stated I understand what Kevin is saying, but as you understand, in between storms...storms can come one right after another...and in between storms we were either pushing back snow, as I'm sure Parks is within the playgrounds and schools, we were either pushing back snow or removing snow ourselves. We've looked at and talked to the Parking Division in the past about removing snow, but to make that commitment to say that we will get it out after every storm, we just couldn't make that commitment.

Alderman Lopez stated just two things. Do you find anything that we're pushing on the Parking Division that the Traffic Division had? In addition to... is it a responsibility of the Traffic Division or the Parking Division in reference to snow?

Mr. Buckley stated I think that may be Parking Division. I don't know about the snow removal, but I think the Parking Division is in charge of all lots and street parking so they would be in charge of the lots that had to have the snow removed. So that probably still would be in their budget.

Alderman Lopez stated because your report is on Traffic. I just wanted to make sure that the responsibility wasn't being pushed over at the other area. Kevin, on some of your responses, who follows this up to make sure? I mean, we've just got vocal cords and writing here that this is going to happen. Do you do a follow-up to make sure or do you wait until next year?

Mr. Buckley stated it depends on the seriousness of the observation, whether I go back. This one might be one that I would probably go back at a later time, now that the reorganization has happened, and just do an update audit where all I do is look at the observations and the current status of the observations and report those at a later time. I'd like to go through the budget season, though, to see how it shakes out.

Alderman Lopez stated just a follow up on that. Kevin, you might look at the mission of the Traffic versus the way it was, the way it is under the Highway Department, so we know exactly what's going on.

Chairman Pinard stated Kevin, you're on to Finance now. You have Finance and EPD and Future Planned Audits.

Mr. Buckley stated Finance will come up next month. Next meeting the Finance report will be ready. I'm starting EPD right now; I'm putting the work papers together.

Chairman Pinard asked how about the Future Planned Audits of the Police Department?

Mr. Buckley stated that one I'm hoping to start in early spring, February.

On motion of Alderman Long, duly seconded by Alderman DeVries, it was voted to accept the report on the audit of the Traffic Department.

Chairman Pinard addressed item 4 of the agenda.

Communication from Guy Beloin, Financial Analyst II, submitting the City's Monthly Financial Statements (unaudited) for the four months ended October 31, 2006 for FY2007.

Guy Beloin stated what I have here are some highlights of the reports that I submitted. Again, this is in the summary form. That's what I submit. The benchmark right now should be about 67 percent left of the budgeted expenses. And at this point we're pretty close to where we were last year. We're at 65 percent leftover from the budget. Some of the highlights that are variances from this would be Information Systems. It looks like they're going over budget but that's because they purchased equipment that they will bill back to the receiving departments. The Building Maintenance fully encumbers all of their cleaning services at the beginning of the year, which is about \$4 million. Elderly Services has fully encumbered all of their utilities and telephones, as well as postage expenses. One difference that we have this year is that the Parking Department has been moved over into a separate enterprise so that at first it looks like the numbers are skewed but this is one of the main differences. Last year at about this time, the General Fund Traffic Department had expenditures of about \$600,000. You don't see that this year, but I didn't submit a report for the Parking enterprise fund, but then at this point they have about \$0.4million of the expenditures of their budget as spent. And as for the revenues, the reports that I've submitted do include the tax rate revenue adjustments that were made for the property tax rates. In other words, the revenues were adjusted down by a total of \$2.7 million, and that consists of school chargebacks which have \$500,000 taken out of the Building Maintenance Department revenues and the Police Department had \$70,000 taken out of their revenues for the year. And the other pieces are: the Building Permits took out \$50,000, Central Purchasing took out \$200,000, and Parking, which is in the Finance Department, of the revenues took out \$1.95 million. The cable franchise fees have a net amount of \$73,000, but then we did receive \$318,000 for

the first quarter. Of that amount, \$244,000 was dispersed to M-Cam, I believe. And then the permits are over \$900,000 less than last year, again, due to the Traffic Department revenues going to the Parking enterprise fund. At the State, revenues are down over \$500,000 from last year, but then that's because of the timing difference. The second installment came in late. And Sales and Services Revenues, they're down about \$600,000 and then, again, this is relating to the Parking enterprise fund which has picked up the Civic Center parking and parking violations. For the first four months, the Parking enterprise fund has \$1.3 million in revenues collected. Last year the General Fund had collected \$1.6 million, and I believe that some of that difference might be due to the sale of the Center of New Hampshire parking garage. That's all that I have at this point.

Alderman Long stated so with respect to the Elderly Services, that's the only concern that I'm hearing right now. Info Systems has sold equipment. Building Maintenance receives their money at the end of the year.

Mr. Beloin stated they should be okay. This is something that happens every year. They recognize the obligation at the beginning of the year instead of taking one plow for each month. They just expense the whole contract up front.

Alderman Long asked now actual revenue should also be at the 67 percent?

Mr. Beloin responded that one is a little harder to gauge. Probably not, because we do get several quarterly payments. So that one is more difficult to gauge. And some of these receipts that we had are recorded at the end of the year, such as the parking revenues will be recorded at the end of the year in June, as well as transfers from the Cemetery Trust Fund. They only pick it up in June, at the year end.

Alderman Long stated the final question: The cable, first quarter, are we talking fiscal first quarter. You mentioned that the cable paid their first quarter payment, and that's the fiscal...?

Mr. Beloin responded we actually record that in October. Yes, it is for the fiscal first quarter.

Alderman Lopez stated on the permits of \$939,000 that you said went to the parking fund, that has no bearing on the revenue that we receive at the end of the year. Is that correct?

Mr. Beloin stated right. This is something that we did receive last year, but the General Fund will not be getting it. It goes to the Parking enterprise fund.

Alderman Lopez asked what is the estimated figure that we're going to receive at the end of the year for the Parking enterprise?

Mr. Beloin responded I think originally the budget was \$7.2 million, but then it was lowered by close to \$2 million.

Alderman Lopez stated you've got it on the books now about \$5.2 million in revenue from the parking fund?

Mr. Beloin responded I think so.

Alderman Lopez stated the State revenue of \$509,000. You say you got it in late. How did that reflect on the revenue?

Mr. Beloin responded it's just a timing difference. It won't have a year-end impact. It just came in late.

Alderman Lopez stated it's not a surplus then.

Mr. Beloin stated we won't be short.

Alderman Lopez stated you won't be short. Explain.

Mr. Beloin stated I believe that your question is how does the \$509,000 relate to the budget so far. It's just late, that's all. It will still be recorded. I believe that it should be recorded in November instead of October.

Alderman Lopez stated I go to your first page where you have Building Maintenance \$500,000. What happened there?

Mr. Beloin stated that was the school chargebacks. I don't have the detail for that.

Alderman Lopez stated we'll have to get some details on that. And I believe the \$50,000 is because the resolution for the Building Department wasn't implemented.

Mr. Beloin stated right.

Alderman Lopez stated over-estimate revenue, you have here as \$1.9 million in parking. Could you break that down for me?

Mr. Beloin responded I'm sorry, I don't have the detail for that, but I can get it for you.

Alderman DeVries stated following up on the same, the revised tax rate revenues. The Building Maintenance, \$500,000. Does Highway want to respond to that now? Because that was built into the original budget that came to us from the Mayor. When did you first become aware that you would be half a million dollars shy in revenue from Building Maintenance chargebacks?

Mr. Sheppard stated I believe it was during the budget process. Perhaps, I don't know. Randy's familiar with the timeline, maybe a little bit more. Maybe he can remind me of that.

Alderman DeVries stated if I could comment on that, because my recollection during the budget, there was a comment that was made, if the school budget was passed at the Mayor's number that there would be no opportunity for us to gain the Building Maintenance. We passed a higher number and I don't think it was ever commented that that was still going to be a serious jeopardy of the same amount for the Mayor's school budget number.

Randy Sherman, Interim Financial Officer, stated when the Mayor originally brought forward his school number and all of his General Fund budget numbers, keep in mind you don't have the ability to tell school how to spend their money. You're giving them a bottom line budget. At the point when all those numbers first came out, which would have been the end of March, first of April, at that point Tim Clougherty did come forward and say, I don't have enough money in my proposed budget to maintain the City facilities and generate the chargeback revenues that the Mayor has in his budget. There just isn't enough in my operating budget to take care of both of those. During the point where the Aldermen had the budget, and you were correct, the school budget was increased. I don't believe the Building Maintenance budget was increased significantly enough to cover that whole variance. School then goes and gets their number, and when they came back in July and decided how they were going to spend their numbers, that's when they adjusted all of their chargeback numbers. So they decide how much they're going to spend on help and how much they're going to spend on police and how much they're going to spend on Building Maintenance. It's really not until that time that those numbers are finalized. Even though they're being carried on the City side at higher numbers, it's really ultimately up to the School Board.

Alderman DeVries stated follow up, if I might. So you're saying that the initial revenue projection being half a million dollars short was known because of the shortfall in the Facilities budget at the end of March, beginning of April.

Mr. Sherman stated that was when Mr. Clougherty first identified that he didn't think he had enough in his appropriation to handle both School and City.

Alderman DeVries stated that's before it was an Aldermanic budget. That was the Mayor's budget.

Mr. Sherman stated that was when it was the Mayor's budget, yes.

Alderman DeVries stated and there was no discussion of changing that revenue projection?

Mr. Sherman stated I think when Tim did come in to the Aldermen, he did address that and it was part of the presentation that he made. And I want to say that his number was increased, but again, ultimately, what you increase on his side, if School isn't willing to, in essence, hire Tim and his staff to do work on the School side, you can't generate those revenues anyway.

Alderman DeVries stated but exactly the point, because when it came to us, I at least was of the understanding with the increased school budget number there would be the opportunity to gain back some of that revenue projection. Not anticipating that it stayed half a million dollars short.

Mr. Sherman stated I know when school was in front of you, and I know again that Tim made the plea that maintenance is a crucial item, and he asked that the school budget be increased so he could maintain the facilities and all the new equipment that you had just put in. But then ultimately it does go back to the School Board, and they decide how those dollars are going to be allocated.

Alderman DeVries stated so the point being, the school budget was increased, but we still stayed half a million short in revenues as we did when the budget came to us from the Mayor.

Mr. Sherman stated that's correct.

Alderman Lopez stated I just want to follow up on that. We increased the Building Maintenance budget because of Tim and others who came before us. The original budget was \$6,902,025 and we added another \$19,000 and they stood here and said everything would be taken care of to include the \$500,000 which they had agreement with the Building Department. The total revenue was out of the \$6,921,000; the total revenue was \$6,361,370. So there's \$500,000 some place along that line. Now we can blame the School Department, but the Building Maintenance gave us those numbers, and that was in the original budget...the only thing we did was increase the Mayor's budget by \$19,000. Those are the facts.

Mr. Sherman stated I could provide a better history for this committee if they prefer. I'd have to talk to Tim because I know that was an issue through the whole budget process and it was an issue, you know it came up again tonight.

Chairman Pinard asked would the Committee like a follow-up from the...

Alderman DeVries stated the point being it was a very convoluted budget process this year, and I think because there were so many meetings dealing with the expense portion of many of the different departments, it proved to be a distraction of verification of revenue numbers that we needed from Finance, so that we knew we were building our budget based on your best estimate of actually accomplishable revenues. I think in all of the thirty meetings that we had on the budget, that was never carried out successfully. You never told us successfully that we were building a budget predicated on false numbers.

Mr. Sherman stated well again, until the School Board decided how they were going to utilize their \$145 million, you can't adjust your revenues on the City side. And as you notice, even on the Police Department and the whole discussion we've had about the Resource Officers, originally those dollars are budgeted in the Police Department. But then if School decides not to pay for those positions, you still have the expense on the City side, you're just not getting reimbursed. As the Chief sat here a couple of meetings ago, he says, I'm still using those officers. They're just not revenue generating officers at this point.

Alderman DeVries stated but Randy, we can kick this around again, but you just told us that it was known the end of March, April 1st, the number that came to us from the Mayor's budget was going to be a half a million dollars short of revenues. We did nothing but add to the Facilities Division budget. We added \$19,000. And we added to the School Department budget so that we had the opportunity for them to fund at a higher level. But the number didn't even come closer. It's not like it went from half a million to a hundred thousand. It stayed at half a million dollars. We built a budget based on revenue numbers that could never be accomplished and we weren't given the opportunity to understand that from you.

Mr. Sherman stated but you have to take...there's a spread between what the Building Maintenance Department received for a budget and what they had in for chargebacks. I don't have the exact numbers in front of me, but if Building Maintenance got a \$7 million budget, of which \$6.3 million was for maintenance of school facilities, that meant there was \$700,000 to maintain the City facilities. Now at that point Tim did say, I'm not sure that \$700,000 is enough for the City side. But he's always had the \$6.3 million for the School side. Now if School

then comes back and says, well, you know, we're not going to pay you \$6.3 million. We're only going to pay you \$5.8 million. In essence what that means is Tim still has \$7 million to spend, except now he's spending more on the City side. He just doesn't have that money to come in and get reimbursed from the School side because that's, again, a School Board decision. So the real question is, was there enough on the City side? Again, the spread between his total appropriation and the amount that you had in there for chargebacks. Because I think what you had for chargebacks was probably a good number from School. Again, Tim just always expressed a concern that the total didn't give him enough on the City side. And if you keep...remember, part of the Mayor's budget was to remove some of that staff from the Building Maintenance, which never got removed.

Mr. Sheppard stated and I can follow up, in confirming with Frank just now, from what I remember during the budget process, we had identified a shortfall, based on the budget that was being given to us, a shortfall in revenues because we would not have the budget to create that revenue. That budget was not increased as part of the budget process, so therefore the School District could not be billed that amount because we did not have that in our budget. So I guess it comes down to, there was a shortfall in our budget; therefore the chargebacks to the School District had to be reduced.

Alderman DeVries stated I know that we can kick this around all evening and I just think that we felt we were given the information that if we increased the School budget, they were more likely to have the capacity to at least bring the revenue projection in line. And I don't think it was ever made clear to us that a revenue projection that we were passing in our final budget was half a million dollars off, carried from the original Mayor's budget that was handed to us, because we did increase by \$19,000. We thought we were filling the gap, so it just wasn't clear to us. Do I need further information? No. Because unfortunately the tax rate's been set. It just would have been nice for that to be crystal clear before we passed a final budget.

Mr. Sheppard stated one of the things we do during budget time is we try to stress to the Aldermen that any chargeback we have, if we get that money in our budget, it's basically totally or 95, 99 percent reimbursed by the School District. So it costs the City maybe five percent on the City side, so it does not hurt to give us that money within our budget. But a lot of times we come to the Board of Mayor and Aldermen during the budget process and try to explain that, and we don't get that money back into our budget, even though it's 90, 95 percent chargeable back to the School District, and they've accepted that. But like Randy says, come final budget time, in the past the School District's budgets may be cut, and if that budget is cut, then our chargeback does get cut.

Alderman DeVries stated and they're operating under a very close budget at the Schools.

Alderman Smith stated Randy, it seems like we always have a problem with the chargebacks, especially with the School Department. We have some things listed later on that have been going on at JFK for installing a...and we seem to always have a hassle. We have a hassle with the Parks and Recreation when they submit a bill and they're always coming back and saying we're going to pay half the bill. The chargebacks are a pain for most departments.

Mr. Sherman stated I'll second that. I think that may be something that we do really want to revisit during the budget process. The reason that we originally did chargebacks was so that the sending communities, the Hooksetts, Auburns, Candias, Bedfords, were actually paying the true costs of running the School District. But what's happened is, again, you're thinking you're budgeting for something and then School ultimately decides that they don't want to pay for it, whether it's something for Parks or the Police or the Maintenance. And it really has no impact on the tax rate. If you throw in \$100,000 for a Resource Officer in the Police Department, you then throw those dollars over at the School Department and then you pick up a revenue. And ultimately, at the end of the day, the tax payers are paying for one Resource Officer. So I do agree, it's very administratively intensive. I'm not sure it really gains us anything now, and I really do think that that's something that maybe we want to take a step back and re-look at how we're doing that, because if they're not even passing that on to the sending communities, including now maybe with Bedford leaving, it's even minimized the impact to the point that it's just not worth doing it that way anymore.

Alderman Long stated Randy, the tuition for the sending towns, is that based on school administration costs only or do you calculate it if there was no chargebacks and Building Maintenance, for example, it costs a half a million dollars a year? Would that be calculated in there or is it just solely school administration?

Mr. Sherman stated I'll be honest with you, I don't know what they put in their tuition rates anymore. I know it's in the capital portion because they charge them for the debt for the renovations and expansions that we had. But what is actually going into the operating side of the tuition, I couldn't say. That would be a question of Karen DeFrancis and the School Board when they come to present their budget.

Alderman Long asked and when is that set?

Mr. Sherman responded they present their budget to the Mayor in late February or March and it comes to the Board at the same time the regular budgets do.

Alderman Long asked when does the State set the tuition rate?

Mr. Sherman responded the tuition rate will actually get set by the School. I believe they're doing it typically over the summer, the August/September time frame. When they set their tuition rate, it's based on the current operating budget that they have at that time.

Alderman Long stated so SRO's are included in that?

Mr. Sherman stated yes.

Alderman Lopez stated just one fast...since you're looking at chargeback. I think really what we ought to do on the maintenance, since the Maintenance Department is in charge of these buildings. Instead of having verbal agreements we should have written agreements on the maintenance aspect of the expenditures that we've planned on for the year for the maintenance of these buildings. That way we know what the true number is and that money can't be taken away, or in my opinion anyways, if you have a written agreement. I think that a Supreme Court ruling, there's supposed to be written agreements from the City to the...other than vocal cords.

Mr. Sherman stated yes, the Court tried to, or the parties at least agreed that we would be better off having things in writing, on what services were going to be provided from one side to the other. But even as Alderman Smith pointed out, Parks thinks they have that all hammered out, and you still get into the debate whether, well, you did that field twice this week and we didn't think it needed to be done twice. And you're always going to have that going back and forth, because, again, they're under a tight budget and they're trying to get the most out of that. Again, I think as maybe part of this budget process that is something that really should be revisited.

On motion of Alderman Smith, duly seconded by Alderman DeVries, it was voted to receive and file this communication.

Chairman Pinard stated I'd like to make a suggestion that we adjourn this meeting because we won't have time because there's another meeting behind us and we can follow up at a later date.

Leo Bernier, City Clerk stated, Mr. Chairman, the next meeting is at 5:00. We still have 15 minutes left. I'm just saying, if we don't finish, we can also adjourn this meeting if we don't finish at 5:00. We have plenty of time next Tuesday before the Board meeting to take the two or three items that are left. I think we do have plenty of time for number five.

Chairman Pinard addressed item 5 of the agenda.

Communication from Sharon Wickens, Financial Analyst II, submitting reports as follows:

- a) department legend;
- b) open invoice report over 90 days by fund;
- c) open invoice report all invoices for interdepartmental billings only;
- d) open invoice report all invoices due from the School Department only;
- e) listing of invoices submitted to City Solicitor for legal determination; and
- e) accounts receivable summary.

Ms. Wickens stated these are your typical ninety day and over reports. I haven't been in front of you for quite some time, so I don't know if there are some new ones on there that you might have some questions on. I know Alderman Smith did come to see me earlier today.

Alderman Smith stated I want to commend you for everything you've done for us. You've always responded. It's just that I had a few questions. You answered my questions. The only thing I would say that...when I'm looking over the situation, we have a couple of areas which I spoke to you, especially the delinquent and the parking spaces in the Middle Street lot and everybody's looking for a permit.

Ms. Wickens stated right, and those, the ones you had mentioned to me, are in the hands of the collection agency.

Alderman Smith stated okay, and I commend you for your report.

Alderman Long stated actually, the Fraser Insurance Company. What is the status of that claim with respect to the building damage at Smyth Road School? Is that coming to the City or is that going to the School?

Ms. Wickens asked do you have a page number on that? Is that Police?

Alderman Long stated it's page two. It's Public Building Services. Twenty-one.

Ms. Wickens stated yes, that money is supposed to be coming. They did dispute it. They were waiting for more information and I did talk to Barbara Connor, and I thought that had been submitted, but you know what, the last time I talked to her had to be at least two to three months ago, so I will follow up with her.

Alderman Long stated and this report was generated on November 14th? Am I reading this right?

Ms. Wickens stated this Fraser Insurance Company was generated...

Alderman Long stated this whole report.

Ms. Wickens stated yes, November 14th. That's correct. But I bet it's still out there because I haven't seen anything come through.

Alderman Long stated and just to follow up, there was one code that was a 51. What is a 51?

Ms. Wickens stated that is actually...you know I didn't update the legend and I'm glad you brought that to my attention. That would actually be Traffic now. Fifty-two was Traffic, is Parking. We created 51 for, now that Highway has Traffic, they have started to invoice. It's under 51.

Alderman Long stated and just a quick follow up. Do we know that the permits that are ongoing that people owe us for the permit fee for the month, do we know if there's communications with Parking with respect to those permits...still active or do we pull them?

Ms. Wickens stated most of them are not active, but they're out there and they're either in the hands of the collection agency or maybe Denise hasn't sent them over yet. But for the most part they are in the hands of the collection agency. And what she does is she shuts them off, but we don't write them off unless I were to put them on the write-off list. We do try to go through collections first.

Alderman Long stated so typically you'll see maybe three months or maybe six months...

Ms. Wickens stated we would like to see no more than three months, but some of them have been customers for a long time. They work with our...it gets behind, and then when it gets to be about six months, sometimes seven, Denise will shut them off, but maybe we shouldn't have even given them that time. It's a department call.

Alderman DeVries stated on the Accounts Receivable Over Ninety Days Summary, the BLL Restaurant. What is that entity?

Ms. Wickens stated that is for the additional work, Derryfield, the BLL Park. There were things that needed to be completed for the project and they were not going to pay for these additional costs until the entire project was complete. It's my understanding that it's not complete yet, but I can check on that. Because that will be coming in as soon as it's done.

Alderman DeVries stated if you would check on that because I wasn't aware that there were items outstanding on that.

On motion of Alderman Smith, duly seconded by Alderman Long, it was voted to accept the report.

Chairman Pinard addressed item 6 of the agenda.

Communication from Sharon Wickens, Financial Analyst II, submitting the 1st quarter FY2007 write off list for the accounts receivable module.

Ms. Wickens stated before we start on that, I did want to talk about Fire a little bit. There are three accounts on there. They have asked to pull these off of the report and we do have a representative here from Fire if you need to talk to them more. But he said that he has actually collected on two of them now. And one he's still working. My procedure is that after it comes back from the collection agency, I need to notify you, and by notifying you, that notified them as well, and so they've made a little bit of extra effort on their end, so they've collected about \$1,640, or will collect, so you can deduct that from our total.

Alderman Long stated the R E Jenkins Construction, it's classified as an SIF, which is collected.

Ms. Wickens stated it's settled in full and what happened was he didn't pay the full amount of collection fees, and it was quite a big bill that he owed. And he paid the bulk of the fees, but \$159 didn't get paid and so it's the fees part that's being written off.

Alderman Long stated okay so it's our...the fees as in what...

Ms. Wickens stated the collection agency charges us a fee off the top of what they collect for us. They were able to collect the full amount of the invoices, as well as

some of the fees, but the invoices were rather large and their percentage is almost twenty-two percent. So this is a piece that they weren't able to collect.

Alderman Long stated so this is satisfied in full except for the fees.

Ms. Wickens stated we're going to write off some of the fees, and some of that was actually finance charges that we charge – an eighteen percent finance charge every month, so some of it's...we agreed to settle it in full if they paid it.

Alderman Smith stated Sharon, I did ask you earlier. Will you get me the report, the last two years of the total amount, month by month, on the write off list? What we've actually written off the last two years. I would appreciate it.

Ms. Wickens stated yes, I can put that in a formal report for you. I did have, for last year we wrote off roughly \$16,000 for the entire fiscal year '06. For fiscal year '05 it was just over \$20,000. And for fiscal year '04 it was \$33,000. Consistently it has gone down, which is a good thing.

On motion of Alderman DeVries, duly seconded by Alderman Long, it was voted to accept this report, with the adjustments for Fire as recommended.

Chairman Pinard addressed item 7 of the agenda.

Communication from Maureen Cail, Accountant II, submitting a summary of CIP project balances as of September 30, 2006.

Ms. Cail stated I don't have anything to highlight at this point in time, so I'll leave it open to any questions that you might have.

Alderman Smith stated since the gentleman is here, I'd just like to know, the school improvement program at Gill, it does say there is \$7,704.27.

Ms. Cail asked what page is that?

Alderman Smith stated it's the second to the last page. Let's put it that way. Bond Balances. School Improvement Program/Gill Stadium. And it says in here, a project balance of \$7,704 and I don't believe there is anything in there because I was trying to get something fixed at Gill Stadium and I was told there was no money in the bonding. And a gentleman is here. I don't know if he can answer it, Frank Thomas.

Frank Thomas, Highway Department Director, asked are you referring to the one-time account where there was \$850,000 allocated to Gill Stadium for the Fisher Cats improvements?

Alderman Smith responded no. The bond.

Mr. Thomas stated all the money under the Gill Stadium project in connection with the Fisher Cats program has been expended, whether it was the million dollars that Drew Webber put up, the \$850,000 from the one-time account or any balances out of the twenty-seven and a half million dollars.

Alderman Smith stated so this is in regards to school then, with Gill Stadium.

Ms. Cail asked what page are you referring to?

Alderman Smith stated second to the last page, right on top – 210. Page 9.

Ms. Cail stated I'm sure that balance has been sitting there for a while so I don't know why they haven't spent it. I could follow up on that.

Alderman Smith stated okay, thank you very much, Maureen.

On motion of Alderman Smith, duly seconded by Alderman DeVries, it was voted to accept this report.

There being no further business, on motion of Alderman DeVries, duly seconded by Alderman Duval, it was voted to adjourn.

A True Record.. Attest.

Clerk of Committee